

Assembly Bill No. 2218

Passed the Assembly July 30, 1998

Chief Clerk of the Assembly

Passed the Senate July 23, 1998

Secretary of the Senate

This bill was received by the Governor this ____ day
of _____, 1998, at ____ o'clock __M.

Private Secretary of the Governor

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CHAPTER ____

An act to amend Sections 77122, 77191, and 77193 of, and to add Section 77031.5 to, the Food and Agricultural Code, relating to agricultural commissions.

LEGISLATIVE COUNSEL'S DIGEST

AB 2218, Woods. California Walnut Commission.

(1) Existing law establishes the California Walnut Commission and authorizes the commission, among other things, to promote the sale of walnuts by advertising and other promotional means, to educate and instruct the wholesale and retail trade in foreign markets, to make market surveys and analyses, and to conduct marketing research.

This bill would expressly define "person" for purposes of the law governing the commission.

(2) Existing law requires the Secretary of Food and Agriculture to hold a hearing every 6 years, if requisite funds are available, to determine whether operation of the provisions governing the commission should be continued. If the secretary finds after the hearing that a substantial question exists among the producers assessed regarding whether operation of the provisions should be continued, existing law requires the secretary to submit the provisions for approval utilizing specified voting procedures. If the secretary finds that a favorable vote has been given, the provisions remain in operation. If the secretary finds that a favorable vote has not been given, the secretary is required to declare the operation of the provisions suspended upon expiration of the then current marketing year. Existing law requires the provisions governing the commission to remain in effect until July 1, 1991, or until the end of any marketing year thereafter when the commission determines that targeted export assistance funds provided by the federal government have been permanently terminated.

This bill, instead, would require these provisions to become inoperative at the end of any marketing year in



which targeted export assistance funds provided by the federal government have been permanently terminated, unless a referendum vote conducted among producers pursuant to the procedures described above approves the continuation of the commission. The bill would also change the standards for determining whether a favorable vote has been given on the continuation of these provisions.

(3) Existing law requires, in determining whether the commission is approved by producers pursuant to specified provisions of existing law governing implementation and voting procedures of the commission, that the vote of any nonprofit agricultural cooperative marketing association be considered as being the approval or rejection by the producers that are members of, or stockholders in, the association.

This bill, in addition, would require the vote of the nonprofit agricultural cooperative marketing association to be considered the approval or rejection by the producers that are members of, or stockholders in, the association in determining whether the commission is approved by producers during a referendum pursuant to specified provisions of existing law governing continuation or suspension and termination of the commission.

The people of the State of California do enact as follows:

SECTION 1. Section 77031.5 is added to the Food and Agricultural Code, to read:

77031.5. "Person" means any individual, partnership, limited liability partnership, corporation, limited liability company, or other association or entity doing business in California.

SEC. 2. Section 77122 of the Food and Agricultural Code is amended to read:

77122. In finding whether the commission is approved by producers during a referendum pursuant to this article or Article 8 (commencing with Section 77191), the vote of any nonprofit agricultural cooperative



marketing association that is authorized by its members shall be considered as being the approval or rejection by the producers that are members of, or stockholders in, the nonprofit agricultural cooperative marketing association.

SEC. 3. Section 77191 of the Food and Agricultural Code is amended to read:

77191. This chapter shall become inoperative at the end of any marketing year in which targeted export assistance funds provided by the federal government have been permanently terminated, unless a referendum vote conducted among producers pursuant to the procedures described in Section 77193 approves the continuation of the commission. Funds are permanently terminated within the meaning of the previous sentence when the federal government does not provide targeted export assistance funds in two consecutive budget years.

SEC. 4. Section 77193 of the Food and Agricultural Code is amended to read:

77193. (a) Every six years, beginning in the 1992–93 marketing year, the secretary shall hold a hearing to determine whether operation of this chapter should be continued. If the secretary finds after the hearing that a substantial question exists among the producers assessed under this chapter regarding whether operation of this chapter should be continued, the secretary shall cause a referendum vote to be conducted among producers. If a referendum is required, the operation of this chapter shall continue if the secretary finds both of the following:

(1) A majority of producers voting in the referendum who are not affiliated with a cooperative handling walnuts voted in favor of the continuation of this chapter, and those so voting marketed a majority of the total quantity of walnuts marketed in the preceding marketing years by all such producers voting in the referendum.

(2) A majority of the producers voting in the referendum who are affiliated with a cooperative handling walnuts voted in favor of the continuation of this chapter, and those so voting marketed a majority of the total quantity of walnuts marketed in the preceding



marketing year by all such producers voting in the referendum.

(b) If the secretary finds that a favorable vote has been given, the secretary shall so certify and this chapter shall remain in operation. If the secretary finds that a favorable vote has not been given, the secretary shall so certify and declare the operation of this chapter suspended upon expiration of the then current marketing year.



Approved _____, 1998

Governor

